

Exhibits A-1 and A-2

Project Area Income

Exhibit A-1, for Fiscal Year 2002-2003, reports all project area contributions and the amount deposited to the Low-Mod Fund that includes the additional income detailed in Exhibit A-2. Sources of income vary among agencies and project areas which explain why Exhibit A-1 identifies data reported by 341 agencies for 745 project areas whereas, in Exhibit A-2, 319 agencies reported income generated in 446 project areas. Project area income consists mostly of (1) property tax increment required to be deposited (the law specifies special circumstances that enable some agencies to exempt and/or defer from deposit some or all of the required minimum 20% of tax increment received) and (2) additional income such as from rent, grants, and/or sale of property, etc.

Exhibit A-1 shows \$936,021,588 of project area receipts was deposited to agencies' Low-Mod Fund. This amount reflects the net total deposit after subtracting tax increment exemptions of \$12,965,129 and deferrals of \$3,317,175 (refer to Exhibits B-1 and B-2) from tax increment allocations of \$547,972,371 and adding \$3,786,249 of repayments of prior year deferrals along with project area additional income of \$400,545,272 described below.

Exhibit A-2 identifies, for applicable agencies and project areas, the sources of additional income (\$400,545,272) deposited to the Low-Mod Fund. Additional income comes from interest (\$37,156,168); rents and leases (\$10,674,150); sale of real estate (\$8,334,410); grants (\$3,101,346); receipts for administering bond programs (\$66,320); repayment of loans (\$48,448,080); debt proceeds (\$228,840,971); and other sources (\$63,923,827) such as transfers, credits, and prior year adjustments.

As reported in Exhibit A-1, project area receipts of tax increment allocations, deferral repayments, and additional income make up most of what was deposited to the Low-Mod Fund. Many agencies generate revenues that are not derived from project areas, such as interest accruing to the Low-Mod Fund from investments and loan repayments. Revenues derived from sources other than project areas are reported as generated by the agency's Low-Mod Fund on Schedule C, under the category "Project Area Receipts and Housing Fund Revenues," (refer to Exhibit C1 under "Housing Fund Revenues"). The combined amount of Exhibit C-1's "Housing Fund Revenues" (\$147,975,115) and Exhibit A-1's "Total Project Area Receipts" (\$936,021,588) make up the total amount deposited to the Low-Mod Fund (\$1,083,996,703).